Hochschild Mining plc

2008 Annual Results

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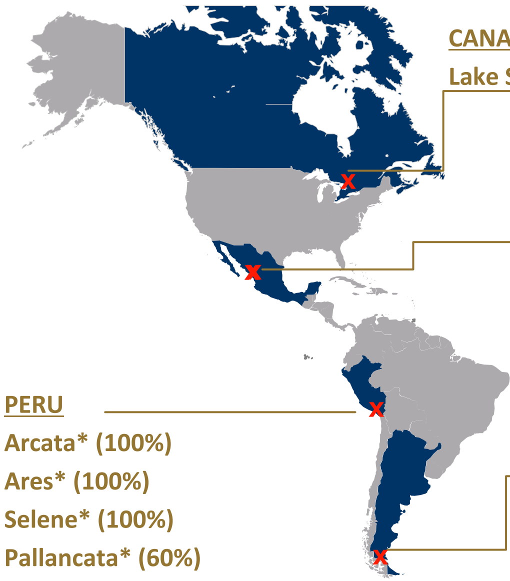
Company Overview



CANADA
Lake Shore Gold Corp. (40%)

MEXICO
Moris* (70%)
San Felipe (100%)
El Aguila (15%)

PERU
Arcata* (100%)
Ares* (100%)
Selene* (100%)
Pallancata* (60%)
Liam JV (50%)**

ARGENTINA
San José* (51%)

- A leading precious metals company
- 40 years operating experience
- Specialising in underground, high grade, epithermal vein mining
- FTSE 250 company listed on the London Stock Exchange

Strategic growth in the Americas

** Mines in operation ** Liam's ownership to be increased to 100% following Hochschild's acquisition of Southwestern Resources, which is subject to approval by Southwestern's shareholders.*

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3rd largest primary silver producer

No.	Company	2008 production (moz Ag)
1	BHP Billiton	42
2	KGHM Polska Miedz	38
3	Fresnillo	35
4	Volcan	23
5	Pan American Silver	19
6	**Hochschild Mining**	17
7	Kazakhmys	17
8	Polymetal	17
9	Buenaventura	16
10	Coeur d'Alene	12
11	Grupo Mexico	12
12	Goldcorp	10
13	Rio Tinto	6

Primary silver producers

Fresnillo	35
Pan American	19
Hochschild	17
Polymetal	17
Coeur	12

Source: 2008 Company filings

Hochschild Mining considered a primary silver producer with approximately 60% of revenue derived from silver

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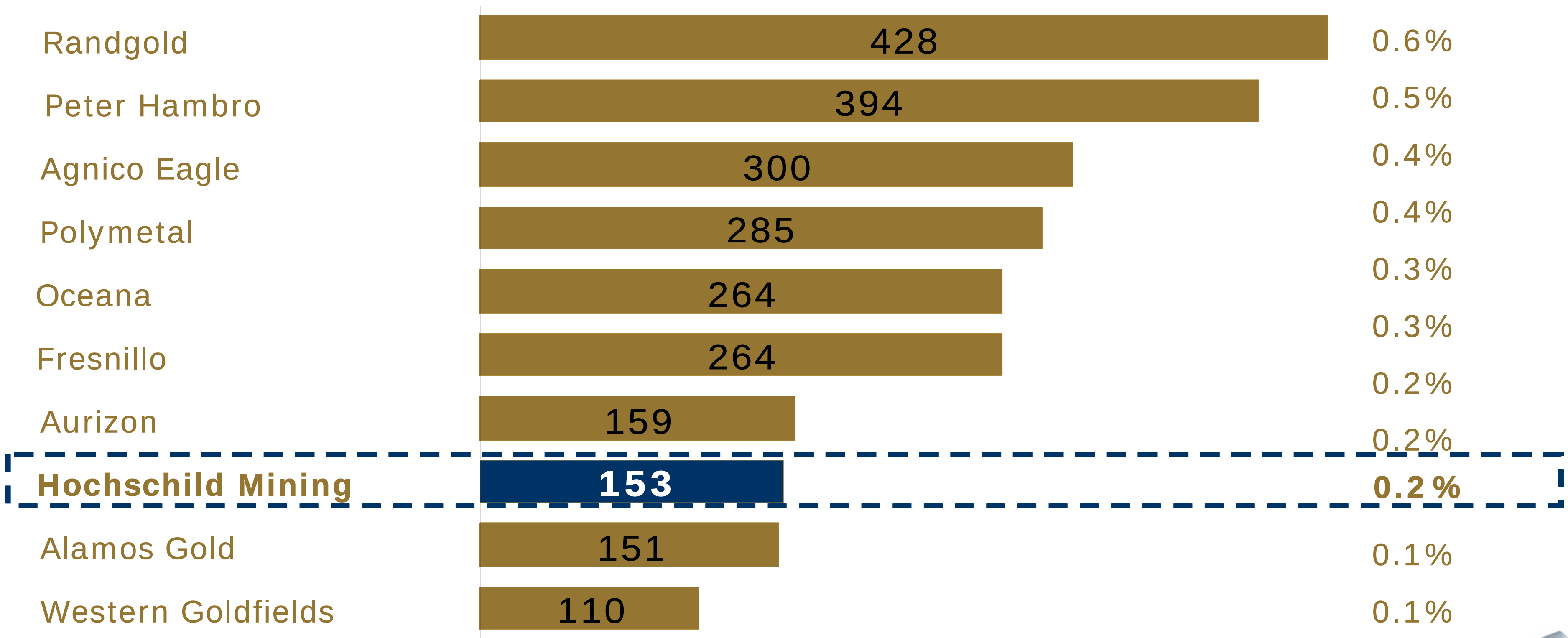
A developing producer of gold

Select mid-cap gold producers **2008 production (koz Au)** **% of global**



Source: 2008 Company filings

Estimated 2008 global production of 2,385 tonnes, RBC Capital Markets Global Gold Outlook February 4, 2009

2008: A challenging year

H1 2008:

- 92% increase in revenue to $231.8 million driven by increased volume and prices
- 86% increase in adjusted EBITDA to $104 million
- 30% increase in pre-exceptional EPS to $0.13
- Contained unit cost per tonne inflation below industry levels at 5.7%[1] (H108 – H207)
- Interim dividend of $0.02/share
- High capex (San Felipe and doré projects)

H2 2008:

- Market crash
- Gold prices down[2]: 28%
- Silver prices down[2]: 54%
- Industry inflation
- Overall uncertainty in the financial markets

[1] Unit cost per tonne inflation comparing H207 with H108 (excluding Moris) [2] From highest to lowest H22008

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Swift reaction to market conditions

Produce profitable ounces:

- Assess viability of small mines (Selene and Moris)
- Change reserve & resource cut-offs
- Renegotiate contracts with suppliers

Drastically reduce overhead:

- 150 positions cut
- Aggressive renegotiation of third party services

Preserve cash and reduce cash flow volatility

- Self-finance capex for each mine
- Delay of major projects: San Felipe; conversion to doré at San José and Arcata
- Focused greenfield exploration
- Limit downside of prices by short term forward sale of approx 40% of 2009 production

2008 Financial Highlights

- 42% increase in revenue to $434 million driven by increase in silver ounces sold and higher gold prices
- Contained unit cost per tonne inflation below industry levels at 14.3 %[1]
- Pre-exceptional EPS[2] down from 0.27 to 0.08 due to market conditions
- Exceptional items of $45 million
- Solid financial position with $116.1 million in cash

2008 Total Dividend of $0.04 per share

[1] *Unit cost per tonne inflation comparing 2007 with 2008. Does not include Moris, project related expenses, depreciation and exceptional items.*

[2] *Pre-exceptional EPS is the per-share profit available to equity shareholders of the Group from continuing operations before exceptional items and after minority interest.*

2008 Operational Highlights

- Achieved production target of 26 million silver equivalent ounces
- Increase in plant capacity of 29%[1] year-on-year; all mine expansions completed on schedule
- Delivered on M&A strategy with over $260 million in investments
  - 40% of Lake Shore Gold 164.0 million
  - 30% of San Felipe 52.5 million
  - 50% of Liam JV 33.3 million
  - 15% of GRC[2] 18.0 million

Focus on producing profitable ounces

[1] Includes Moris. Excluding Moris, capacity expansion was 47%
[2] 10% of Gold Resource Corp ("GRC") was acquired on 26 February 2009

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2008 P&L Summary – Pre Exceptionals

US$ millions (except unit cost and gross margin)	2008	2007
Revenue	434	305
Cost of sales	(240)[1]	(106)[1]
• Production costs[2]	(184)	(102)
•D&A	(25)	(39)
•Others[3]	(20)	(19)
Gross profit	194	199
Gross Margin	45 %	65 %

Explanation of decrease in Gross margin

	2008[4]	2007[4]	%
Tonnage treated (MT)	1.9	1.3	46.2
Av. gross price Au ($)	879	639	37.5
Av. gross price Ag ($)	14.0	14.1	-0.7
Gross value ($/T)	225	239	-5.9
Discounts per ($/T)	15.6	10.0	56.0
Cost per ($/T)	79.7	69.7	14.3

- Gross value down given declining grades in Ares and Selene
- Discounts higher due to excess supply of silver and base metals concentrates
- Costs per tonne higher driven by industry inflation

[1] Includes Moris

[2] Includes operating expenditures of US$ 6.0 for 2007 and $8.6 mm for 2008

[3] Includes inventories movement, workers profit sharing and termination benefits

[4] Excludes Moris

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2008 P&L Summary – Pre Exceptionals

	2008	2007	Diff
Gross profit	194	199	**(5)**
Administrative	(69)	(69)	-
Exploration	(24)	(27)	3
Selling	(11)	(3)	(8)
Other net	(3)	4	(7)
Operating profit	8.6		104
Finance net	(9)	12	(21)
Associates	(8)	-	(8)
FX	(7)	(4)	(3)
Tax	29	34	5
Net Profit	32	77	(45)
Attrib. Net profit	25	82	(57)

- Increase in selling expenses due to higher volume and export tax
- Other net mainly provisions for mine closure
- Lower interest on time deposit, higher interest expense on bank loans
- Equity accounting of investments in associates (i.e. Lake Shore Gold)

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2008 Exceptionals: impairments

	US$ million[1]
Impairments in operating units:	
Selene and Moris[2]	14.2
Impairment of advanced exploration projects:	
San Felipe	15.4
Investments and others[3]:	
Impairments in available for sale investments[4]	10.8
Fortuna Silver warrants [5]	4.7
TOTAL	**45**

Selene: uneconomic reserve base

Moris: small reserve and resource base

San Felipe: declining zinc prices and cash preservation

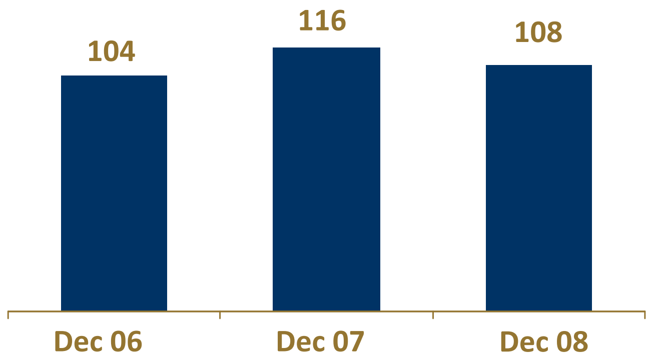
Others: mark to market adjustments

[1] Net of taxes [2]Selene 9.6 million, Moris 4.6 million [3]Mark to market adjustments
[4] Exmin $8.2m; Electrum Capital $2.6m; Mirasol $0.3m; Fortuna River $0.2m; Ventura $0.1m
[5] Loss from changes in the fair value of Fortuna Silver warrants

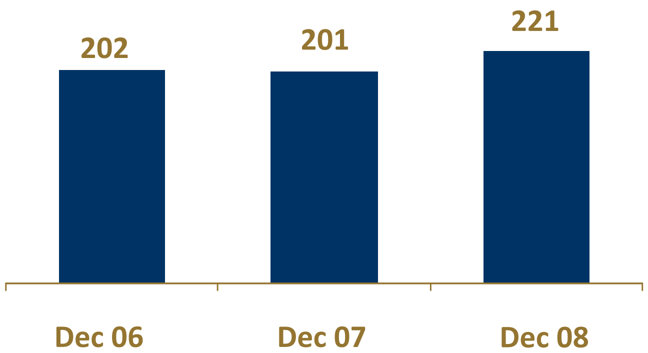
2008 Reserves and Resources[1]

- As a result of higher operating costs, cutoff grades were increased by 18%
- This has a significant impact on reserves as marginally economic ore is removed
- As a consequence:
    - Reserve tonnage has decreased by 17% and total contained silver equivalent ounces by 6%
    - Average grade of resources increased by 12% (Au) and 9% (Ag)
    - Average reserve grades increased by 2% (Au) and 18% (Ag)
- Despite this, attributable resources increased by 10% mainly due to increased ounces from exploration projects

Attributable reserves (moz Ag eq.)



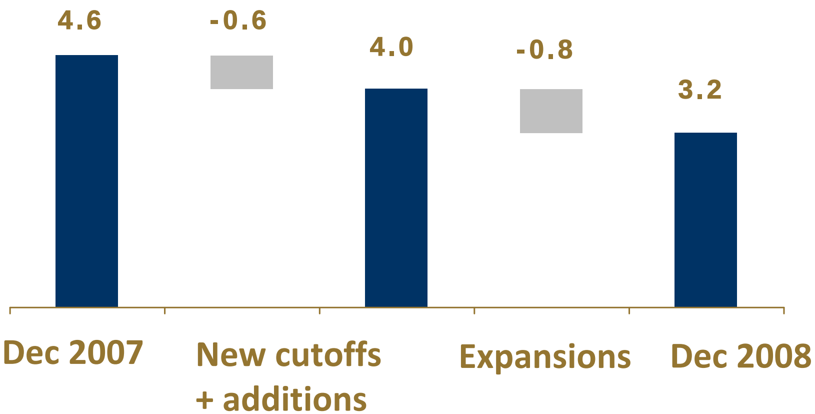
Attributable resources[1] (moz Ag eq.)



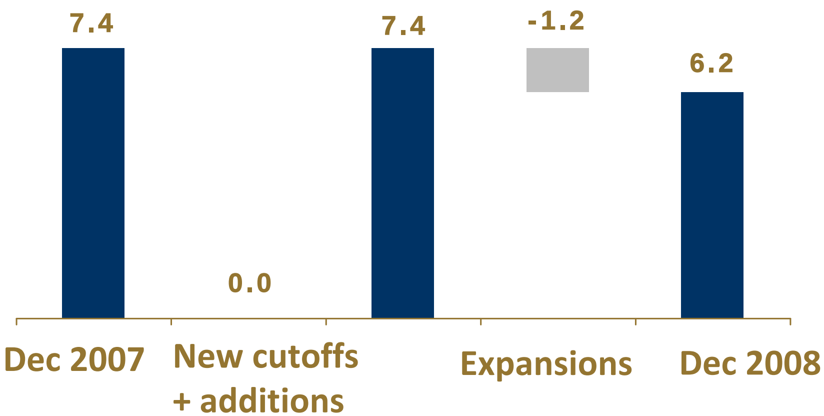
[1] *Does not include Moris.*

2008 life of Mine (LOM)[1]

LOM reserves



LOM resources



- Life of mine decreased mainly due to mine expansions
- Significant additions from exploration offset decrease in LOM
- Successful track record bringing in new resources and converting these resources into reserves
- Strong project pipeline

[1] *Does not include Moris.*

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Delivering on our commitments

Operations

- ✓ All expansions completed on schedule since IPO, doubling the Group's plant capacity
- ✓ 2008 expansions completed on schedule, increasing plant capacity by 29%
- ✓ All production targets achieved since listing

Exploration

- ✓ Impressive drill results at existing operations and projects
- ✓ Strong project pipeline

M&A /investments

- ✓ Acquired Lake Shore (40%)
- ✓ Acquired San Felipe (100%)
- ✓ Acquired Liam JV (50%)
- ✓ Investment in GRC (5%) *
- ✓ Completed a number of investments in smaller JVs
- ✓ Actively looking for acquisitions

Track record of delivering on commitments

** Acquired an additional 10% of GRC in 2009*

Solid position in 2009

Hochschild's position going into 2009:

- Leaner company as a result of cost saving measures
- Year end cash balance of $116.1m
- Limited short term downside: cashflow stability through forward sales
- Increased capacity
- Excellent project pipeline

Continued focus on growth strategy:

1 **Organic Growth:**
- Production target of 28 million Ag eq. oz
- Capex self financed

2 **Exploration Growth:**
- Remain focused on achieving 4 + 4 years mine life
- Developing new resources

3 **M&A/investments Growth:**
- Cluster consolidation
- High margin opportunities
- Post 2008 acquisition of SWG[1], GRC[2]
- Further investment in Lake Shore Gold

Actions taken support strategy for growth

[1] *Agreement signed on 23 March 2009 and is subject to the approval of Southwestern's shareholders*
[2] *10% of GRC bought after year end. Total ownership is 15%*

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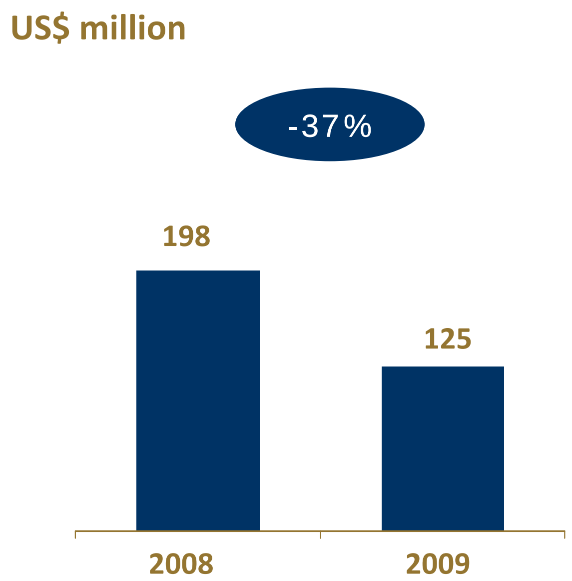
Organic Growth: 2009 Operating Capex



- 2009 capex self financed by each operation
- Capex mainly sustaining with the exception of already committed investments:
  - Arcata: $35 million
  - Selene: $20 million
  - Pallancata: $30 million
  - San José: $30 million
- On track to achieve production target of 28 million silver equivalent ounces with reduced capex

Mine expansions already completed: reduction in capex does not impact growth profile

[1] *Does not include Moris ($1–2m)*

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Exploration Growth

- Gained efficiency through redundancies
- 2009 mine exploration focused on replacement of reserves and resources and increasing LOM on core assets
- Drill projects with discovery/resources and advance to greenfield prospects to drill stage
- Increased support for projects with successful exploration results

Focused investments in exploration

[1] *Does not include Moris (US$ 1–2 MM).*

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Exploration projects in 2009

Azuca Peru

Intensive drilling to reach scoping study

Encrucijada, Chile

Recent discovery, testing additional high quality targets

Crespo, Peru

Realize mineralized potential into resources

Flora-Pinos, Argentina

Advance prospects to drill-ready stage

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M&A Growth

Q109 Investments	$ million	Benefits
Lake Shore	18.0	Participated in refinancing, maintained ownership at 40%. Proceeds to be used for underground rehabilitation and development work at Bell Creek mine and Vogel properties in support of an advanced underground exploration program
Southwestern [1]	17.5	50% of the Liam JV property (Hochschild acquired 50% in August 2008 for $33.3m) Advanced projects close to Hochschild’s existing operational clusters in southern Peru
Gold Resources	12.9	15% investment provides exposure to new high grade district in Mexico
Total	**48.0**	

Continued investment for future growth

[1] *Agreement signed on 23 March 2009 and is subject to the approval of Southwestern’s shareholders*

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Lake Shore Gold Corp.

- Low acquisition cost: $ 180 /gold ounce including capex
- Ownership: 40%
- Production expected to start in 2009 at 30 koz Au, with significant ramp up in the following years
- Fully funded to production at Timmins West, Bell Creek mill and mine & Vogel mines

Provides access to high-grade, long-life gold deposits

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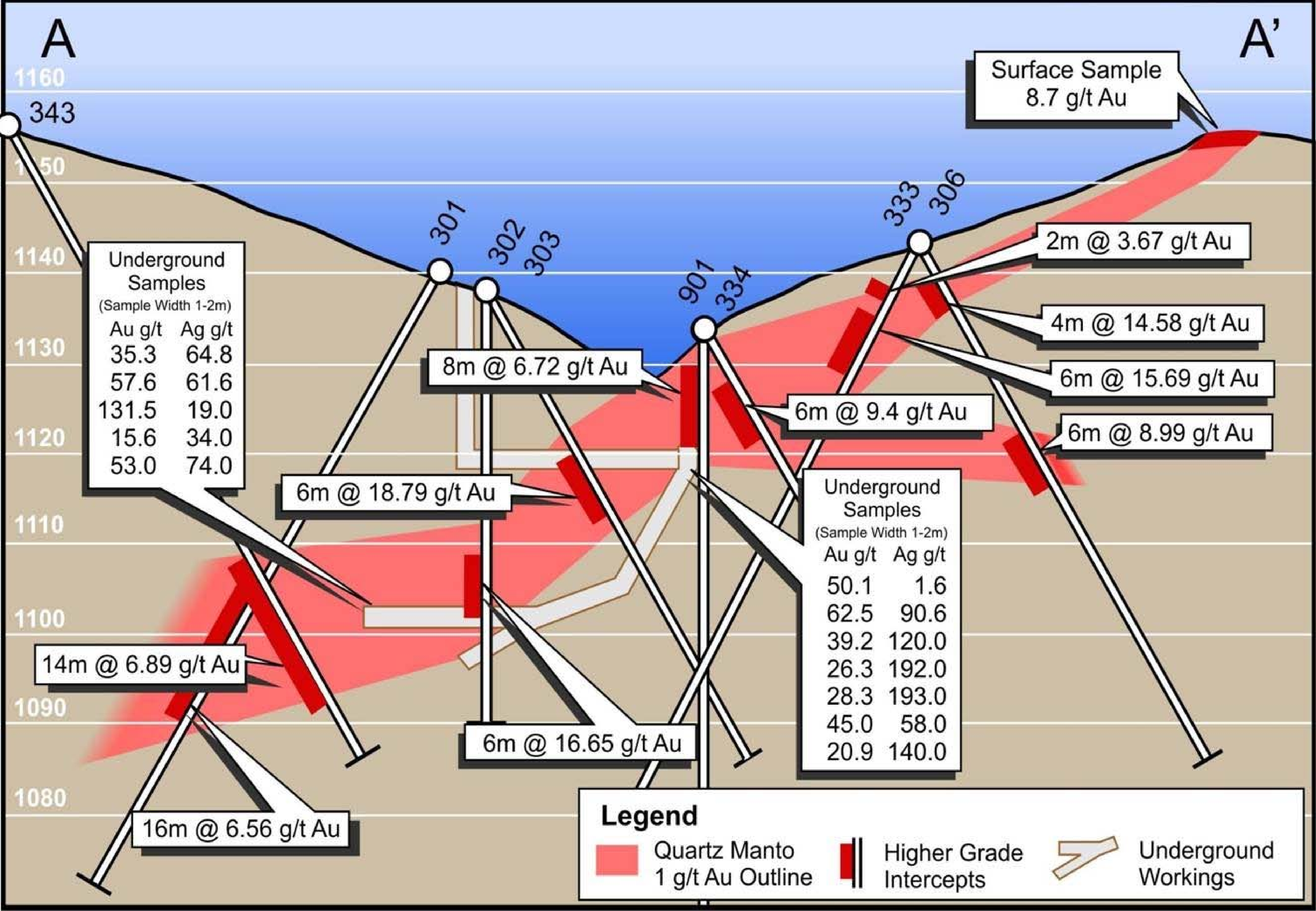
Gold Resources Corp. (GRC)

- Acquired 15% of Gold Resources Corp. for $17.9m
- Acquisition provides exposure to high grade, low cost ounces in Mexico – deposit comprises 75% Au/Ag
- Proceeds will be used to develop GRC's flagship property, El Aguila:
  - Commissioning of plant at 850 tpd by mid 2009 with production of approx 70 k oz Au
  - Develop and explore underground veins
- GRC also owns a number of prime development projects in southern Mexico

Creates additional operational cluster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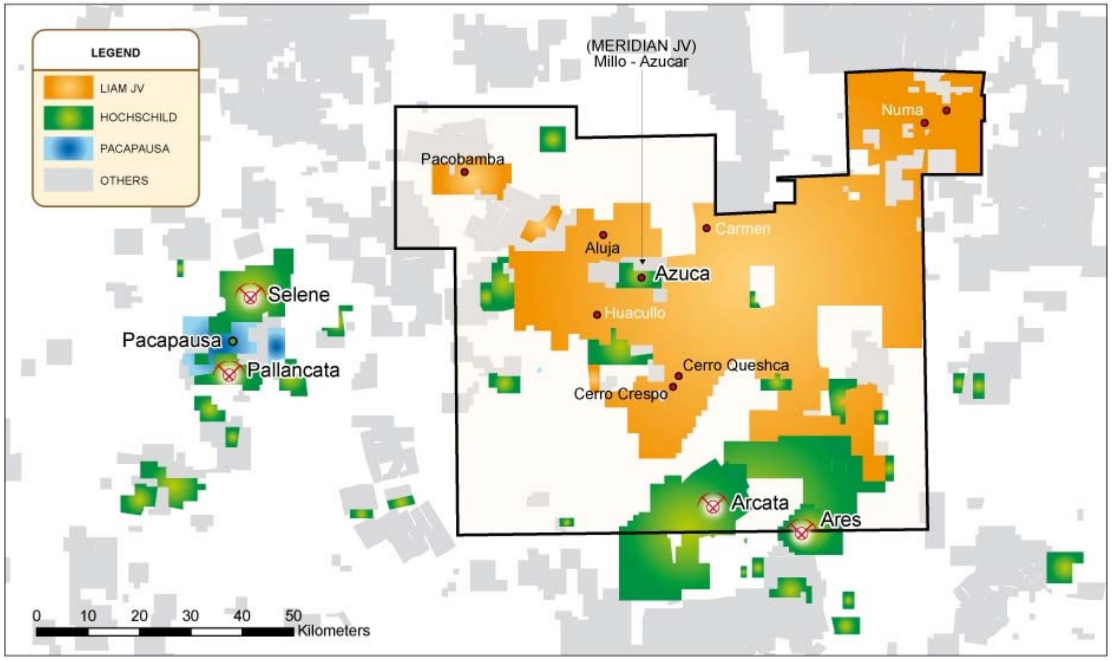
1160
1150
1140
1130
1120
1110
1100
1090
1080
343
301
302
303
901
334
333
306
Surface Sample
8.7 g/t Au
Underground Samples (Sample Width 1-2m)
Au g/t Ag g/t
35.3 64.8
57.6 61.6
131.5 19.0
15.6 34.0
53.0 74.0
2m @ 3.67 g/t Au
4m @ 14.58 g/t Au
6m @ 15.69 g/t Au
8m @ 6.72 g/t Au
6m @ 9.4 g/t Au
6m @ 8.99 g/t Au
6m @ 18.79 g/t Au
Underground Samples (Sample Width 1-2m)
Au g/t Ag g/t
50.1 1.6
62.5 90.6
39.2 120.0
26.3 192.0
28.3 193.0
45.0 58.0
20.9 140.0
14m @ 6.89 g/t Au
6m @ 16.65 g/t Au
16m @ 6.56 g/t Au
Legend
Quartz Manto 1 g/t Au Outline
Higher Grade Intercepts
Underground Workings

Southwestern Resources (SWG)

- Signed a binding letter of agreement on 23 March 09 to acquire 100% of SWG for $17.5m*, which includes remaining 50% of Liam JV
- Consolidates our position in southern Peru: leverage existing infrastructure & regional knowledge
- Increases stake in Pacapausa to 80% (previously 30%)



* *Subject to the approval of Southwestern's shareholders*

2009 Outlook

- 2009 attributable production target of 28 moz silver equivalent, 7% y-on-y increase
- Expect unit cost per tonne to decrease due to expansions and lower projected input prices
- Stable cashflow to fund operating capex, exploration and future M&A
- Committed to developing reserve and resource base
- Remain positive about the long term prospects for silver and gold

Continued focus on profitable ounces

Conclusion

- Regional knowledge and underground mining expertise
- Diversified asset base; stronger than ever project pipeline
- Proven track record of reserve replacement
- 2009 production target of 28 moz Ag eq, an increase of 7% on 2008, in line with our growth plan
- Focusing on profitable ounces
- Robust capital position
- Well placed to pursue M&A opportunities

A solid company

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Questions and answers